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11 PACIFIC BELL TELEPHONE COMPANY,
AT&T SERVICES, INC. and
12 AT&T OPERATIONS, INC.

13 UNITED STATES DISTRICT COURT
14 NORTHERN DISTRICT OF CALIFORNIA

15 _____)
16 JOY NWABUEZE, individually and on behalf) Case No. CV 09-01529 SI
of a class of similarly situated individuals,)
17)
Plaintiff,)
18)
vs.) DECLARATION OF RESHA GADSON
19) RE FINAL APPROVAL
PACIFIC BELL TELEPHONE COMPANY)
20 d/b/a AT&T CALIFORNIA, a California)
corporation; AT&T SERVICES, INC., a)
21 Delaware corporation; AT&T OPERATIONS,) The Honorable Susan Illston
INC., a Delaware corporation; and DOES 1)
22 through 21,)
23 Defendants.)
24)
25)
26 _____)

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4. In July of 2012, AT&T began developing a process for identifying potential Settlement Class Members.¹ AT&T does not have a single electronic database source for such information; rather, AT&T needed to search and analyze data from four independent electronic billing databases in order to compile the Settlement Class List.

18 5. For each electronic billing database, AT&T developed software programs to
19 extract customer data using the time parameters of the Class Period and by searching for Third
20 Party charges and/or credits. The specific search methods used to identify Settlement Class
21 Members differed by database. However, in general the protocol was to search for customers
22 with charges associated with CICs (Carrier Identification Codes), which are codes assigned to
23 Clearinghouses. All such customers with CIC charges on any of their bills during the Class
24 period of January 1, 2005 through January 2013, were considered potential Settlement Class
25 Members.

DECLARATION OF RESHA GADSON
RE FINAL APPROVAL
Case No. CV 09-01529 SI

1 6. This database search for customers with Third Party Charges had never been
2 performed by AT&T before and required an enormous investment of time and effort. Over
3 one billion bills were searched and over 2500 hours of programming time were expended in
4 accomplishing the task.

5 7. During the development and execution of the Settlement Class List Process,
6 AT&T encountered the following limitations in its stored customer data: There was no
7 reasonably available customer data for the following sets of customers: (i) North Carolina
8 customers from September 2005 through May 2006; (ii) Kentucky customers prior to June
9 2006; (iii) customers in Connecticut prior to November 2006; and (iv) customers from the
10 Midwest Region prior to October 2007.

11 8. Using the procedures described above, AT&T created the Settlement Class
12 List, which was completed in February 2013, and included accounts through January 2013.
13 The Settlement Class List consisted of 16,381,486 Former Customer accounts, and 6,819,577
14 Current Customer accounts, for a total of 23,201,063 customer accounts.

15 **Postal Mailing of Billing Enclosure Notice**

16 9. For Current Customers (as defined in the Settlement Agreement), AT&T
17 prepared and mailed a Notice of Settlement with each customer's bill during the months of
18 May and June 2013, so that all 6,819,577 Current Customers were sent the Notice of
19 Settlement in two consecutive months (subject to the Notice Plan Adjustment set forth in
20 paragraphs 17-20).

21 10. The Notice of Settlement was mailed with the monthly bill as a separate folded
22 insert, on bright yellow paper, which included the Notice of Settlement (in the substance of
23 Exhibit 8 to the Settlement Agreement), Billing Summary Request Form (in the form and
24 substance of Exhibit 2 to the Settlement Agreement), and Settlement Claim Form (in the form
25 and substance of Exhibit 1 to the Settlement Agreement) (collectively, "Bill Insert"). No
26 other paper in the envelope was the same color.

27 11. The Notice of Settlement contained in the Bill Insert included a heading
28 entitled "CLASS ACTION SETTLEMENT NOTICE" and also contained a set-off sentence in

1 red-colored font stating as follows: “You Received This Notice Because AT&T’s Records
2 Indicate You Have Been Billed for Third-Party Charges on Your AT&T Landline Telephone
3 Bill between January 1, 2005 and January 14, 2013, and if You Did Not Authorize the
4 Charges, You May Be Entitled to a Payment From this Class Action Settlement.” A true and
5 correct copy of the Bill Insert is attached as “Exhibit A” to my Declaration re Settlement
6 Notice submitted on August 29, 2013, Doc#209.

7 12. The envelope containing the monthly bill and the Bill Insert had the following
8 words printed on it: “Important Notice Regarding Third-Party Charges, including how to seek
9 a refund if unauthorized.” A true and correct copy of the billing envelope is attached as
10 “Exhibit B” to my Declaration re Settlement Notice submitted on August 29, 2013, Doc#209.

11 13. In addition to the Bill Insert, the May 2013 and June 2013 billing statements
12 for all current AT&T landline customers contained an Informational Bulletin that stated as
13 follows:

14 **IMPORTANT NOTICE**

15 **INFORMATIONAL BULLETIN REGARDING THIRD-PARTY BILLING**

16 AT&T allows third-party billing for traditional telecommunications providers
17 (such as long-distance, operator services and directory assistance), and AT&T’s
18 own affiliates and marketing allies. AT&T takes immediate action to help
19 customers who contact us and report that they may have been billed for
20 unauthorized third-party charges. To dispute a charge, we encourage customers to
21 first deal directly with the third party that originated the charge, whose name and
22 toll-free telephone number are printed on the same bill page as the charge in
23 question. Often, the problem can be resolved with a single telephone call. All
24 customers who call us to report cramming complaints will be issued credits and
25 will not be required to pay AT&T for the disputed charges. (Credits generally
26 appear on customers’ bills within one or two months.)

22 **NOTICE OF SETTLEMENT**

23 If your postal mailed bill envelope contains a yellow Class Action Settlement
24 Notice, or if your E-bill contains an insert entitled “Third-Party Billing Class
25 Action - Notice & Forms”, that means that AT&T’s records indicate that in the
26 past you were charged for Third Party Charges that are the subject of a Class
27 Action Settlement. You should read the Notice carefully to find out about
28 obtaining a settlement payment if you did not authorize the charges. If you have
any questions about the Settlement, go to
www.ATTthirdpartybillingsettlement.com, email
info@ATTthirdpartybillingsettlement.com, or call 1.866.242.0603.

1 14. AT&T's first postal mailing of bills to Current Customers containing the
2 Informational Bulletin and Bill Insert was completed on or about May 31, 2013. The second
3 postal mailing of bills to Current Customers containing the Informational Bulletin and Bill
4 Insert was completed on or about June 30, 2013.

5 **Electronic Mailing of Billing Enclosure Notice**

6 15. For those AT&T Current Customers who receive their bills electronically, ("e-
7 bill"), each customer's electronic bill during the months of May and June 2013 contained a
8 link, entitled "Third-Party Billing Class Action - Notice & Forms" to the Notice of Settlement
9 (in the substance of Exhibit 8 to the Settlement Agreement), Billing Summary Request Form
10 (in the form and substance of Exhibit 2 to the Settlement Agreement), and Settlement Claim
11 Form (in the form and substance of Exhibit 1 to the Settlement Agreement) ("Bill Insert
12 Link"). A true and correct copy of a sample of the electronic bill, with applicable links, is
13 attached as "Exhibit C" to my Declaration re Settlement Notice submitted on August 29,
14 2013, Doc#209.

15 16. On each of these electronic bills, the phrase "Important Notice regarding Third-
16 Party Charges, including how to seek a refund if unauthorized (See News You Can Use)" was
17 included on the first page of the bill.

18 **Email Notice**

19 17. AT&T performed an electronic search of reasonably available AT&T billing
20 data to identify email addresses belonging to Settlement Class Members, both Current
21 Customers and Former Customers. AT&T forwarded a list of 7,114,469 such email addresses
22 to Garden City Group ("GCG"), the Settlement Administrator. This included Current
23 Customers who also received notice with their monthly bills, and Former Customers who also
24 received postcard notices.

25 **AT&T's Website**

26 18. Commencing April 1, 2013, AT&T included a link to the Final Settlement
27 Website on each page of its own AT&T website that addresses landline cramming, along with
28 a notice that says, "If you paid for a third party charge on your AT&T bill that you did not

1 authorize between January 1, 2005 and January 13, 2013 visit
2 www.ATTthirdpartybillingsettlement.com or call 1-800-(866) 242-0603 to learn about your
3 possible right to a refund under a Class Action Settlement.” AT&T will maintain this link
4 until 60 days after the Claims Payment Deadline.

5 **Notice Plan Adjustments**

6 19. In early May of 2013, AT&T discovered that the account numbers for a mixed
7 group of 35,005 Current Customers (consisting of both mail-billed and electronically-billed
8 customers) in the Southeast region were mistakenly not received in time for the Bill Insert or
9 Bill Insert Link to be included in their May 2013 bills. However, the May 2013 bills for those
10 customers did contain the Informational Bulletin. For each of these customers, the Bill Insert
11 was sent through postal mail service to their billing address in a labeled envelope (a true and
12 correct copy of which is attached hereto as “Exhibit B”) separate from their billing statements.
13 These mailings were completed by May 24, 2013. The issue was corrected in time for the
14 June 2013 bill cycle, and these 35,005 customers received the Bill Insert or Bill Insert Link
15 with their June 2013 bills.

16 20. In mid-June AT&T discovered that approximately 93,000 customers in the
17 Midwest region did not receive their June Notice. AT&T remedied this error by sending those
18 93,000 customers the June Notice by direct mail on June 28, 2013.

19 21. In mid-July of 2013, AT&T discovered that 536,258 Current Customers
20 (consisting of both mail-billed and electronically-billed customers) in Alabama, Mississippi
21 and South Carolina did not receive the Bill Insert or Bill Insert Link in their May 2013 or June
22 2013 billing statements due to a combination of human and software error. Pursuant to the
23 Stipulation and Order Regarding Modification of Settlement Notice Plan entered on July 24,
24 2013 (Doc#193), for each of the 536,258 customers, AT&T sent, via postal mail, a copy of the
25 Bill Insert, in the labeled envelope (“Exhibit B” to Doc#209) on two separate dates: the first
26 was mailed beginning on July 24, 2013, and all mailings were completed by July 25, 2013; the
27 second was mailed on August 1, 2013.

28

1 22. AT&T further learned that the same error that had led to 536,258 Current
 2 Customers in Alabama, Mississippi and South Carolina not receiving their Bill Inserts or Bill
 3 Insert Links, had caused the Informational Bulletin not to be included on the May and June
 4 2013 bills of the Alabama, Mississippi and South Carolina Current Customers. As those
 5 customers had already received the Bill Insert twice in separate direct mailings in July and
 6 August of 2013, the second part of the Informational Bulletin, entitled “NOTICE OF
 7 SETTLEMENT,” directing customers to look for settlement notices with their bills, was no
 8 longer applicable. See Paragraph 15, above, for the text of the “NOTICE OF
 9 SETTLEMENT.” The first part of the Informational Bulletin, entitled “IMPORTANT
 10 NOTICE INFORMATIONAL BULLETIN REGARDING THIRD-PARTY BILLING,” was
 11 included in the August and September 2013 bills for the Alabama, Mississippi, and South
 12 Carolina Current Customers. See Paragraph 15, above, for text of the “IMPORTANT
 13 NOTICE.”

14 **Final Settlement Website**

15 23. In consultation with Plaintiff’s counsel, a Google Adwords campaign was
 16 commenced on May 16, 2013, by which key words or key phrases are chosen and, when a
 17 person searches those key words or key phrases, a notice appears in the person’s search results
 18 directing the searcher to the Garden City Group website established for this settlement. This
 19 campaign is ongoing and will continue for the duration of the time that the settlement website
 20 is online, which by the Preliminary Approval Order is 60 days after the Claims Payment
 21 Deadline (approximately January 17, 2015).

22 **Publication of Legal Notice in USA Today**

23 24. AT&T arranged to have notice published nationwide in USA Today in a ½
 24 page format. A true and correct copy of the Publication Notice is attached as “Exhibit D” to
 25 my Declaration re Settlement Notice submitted on August 29, 2013, Doc#209. The notice
 26 was first published on April 4, 2013, and a second publication occurred on April 11, 2013.

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Summary of Third Party Charges (Billing Summary)

25. Pursuant to the Settlement Stipulation (Section VIII B) AT&T developed a Billing Summary format for providing Class Members with a list of all Third Party Charges that appeared on any of their bills dating back to January 1, 2005. Settlement Class Members were advised of the option to obtain a free Billing Summary with the Notice of Class Settlement, which also included the form for requesting a Billing Summary. Class Members could either use the form for requesting a Billing Summary, or submit a request online at the settlement website or obtain a form from the Settlement Administrator, Garden City Group. Garden City Group acts as the intake for the requests, and then forwards the requests to AT&T for processing.

26. A Billing Summary Request requires certain information including BTN (Billing Telephone Account Number) or the customer's landline telephone number in order to be processed. Billing Summary Requests that did not contain the specified information generated a deficiency letter from Garden City Group, informing the Settlement Class Member of the deficiency and inviting the Settlement Class Member to resubmit a valid request. For each valid request, AT&T generates a Billing Summary listing all Third Party Charges or, if there were no such charges on the customer's account, a letter stating the customer's account was not billed for Third Party Charges during the Class Period.

27. As of October 13, 2013, over 225,000 Billing Summaries have been prepared and sent to Class Members, and we expect that another 200,000 to 300,000 Summaries will have been sent by the date of the Court's final approval hearing on November 15, 2013. The preparation of these Billing Summaries commenced in April 2013 and has required up to 200 people working full time to process and prepare the Summaries.

Objector Information

28. I understand from AT&T's Counsel that the following persons, among others, filed objections to the Settlement: Charles M. Thompson; Cathy Lochridge; and Diana Marmorstein.

1 Each of these persons provided identifying information, which AT&T used to search its
2 Settlement Class List to identify any associated AT&T accounts. As a result of this search,
3 AT&T determined that:

- 4 • Charles M. Thompson and Diana Marmorstein are not members of the Settlement
5 Class because AT&T could not find any account with third party charges; and
- 6 • Cathy Lochridge is not a member of the Settlement Class because the only account
7 identified with her is a wireless telephone account.

8
9 I declare under penalty of perjury under the laws of the United States of America that
10 the foregoing is true and correct. Executed this 18th day of October 2013, at Atlanta, Georgia.

11
12 
13 Resha Gadson